#### NATCHITOCHES PARISH FIRE PROTECTION DISTRICT NO. 6

FINANCIAL REPORT DECEMBER 31, 2007

Under provisions of state law, this report is a public document. Acopy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/23/08

#### Natchitoches Parish Fire Protection District No. 6 Financial Report December 31, 2007

#### TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Management's Discussion and Analysis	-	1-4
Accountant's Review Report	-	5-6
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Assets	Α	9
Statement of Activities	В	10
Fund Financial Statements		
Balance Sheet-Governmental Fund	C	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets	D	13
Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Fund	Е	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	F	15
Notes to Financial Statements	-	17-25
Other Required Supplementary Information		
Budgetary Comparison Schedule-General Fund	G	27
Supplementary Information		
Independent Accountant's Report on Applying Agreed-Upon Procedures	Н	28-30
Louisiana Attestation Questionnaire	I	31_32

#### NATCHITOCHES PARISH FIRE PROTECTION DISTRICT NO. 6

114 Magnolia Avenue Natchitoches, LA 71457

#### MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34. Certain comparative information is presented to provide an overview of the District's operations.

#### Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending. The District is a component unit of the Natchitoches Parish Police Jury. The District maintains only one fund, the general fund, through which all of its operations are conducted.

#### A summary of the basic government-wide financial statements is as follows:

#### Summary of Statement of Net Assets

	<u>2007</u>	<u>2006</u>
ASSETS:		
Assets	\$ 648,635	\$ 485,054
Capital assets, net of accumulated depreciation	<u>966,838</u>	1,054,960
Total Assets	\$ <u>1,615,473</u>	\$ <u>1,540,014</u>
LIABILITIES:		
Accounts Payable	\$ 3,800	\$ 7,560
Long-term Debt	<u>66,907</u>	<u>130,685</u>
Total Liabilities	\$ <u>70,707</u>	\$ <u>138,245</u>
NET ASSETS:		
Invested in capital assets,		
net of related debt	\$ 899,931	\$ 924,275
Unrestricted	644,835	<u>477,494</u>
Total Net Assets	\$ <u>1,544,766</u>	\$ <u>1,401,769</u>

#### Summary of Statement of Activities

REVENUES:	<u>2007</u>	<u>2006</u>
Taxes Intergovernmental Interest & Miscellaneous	\$372,275 44,658 	\$341,589 48,224 
Total Revenues	\$422,340	\$ <u>397,300</u>
EXPENSES:		
General Government Public Safety	\$ 35,027 244,316	\$ 53,289 228,989
Total Expenses	\$ <u>279,343</u>	\$ <u>282,278</u>
Change in Net Assets	\$ <u>142,997</u>	\$ <u>115,022</u>

- The District's assets exceeded its liabilities by \$1,544,766 (net assets) for the year. For the prior year this was \$1,401,769.
- Unrestricted net assets of \$644,835 represent the portion available to maintain the District's obligation to both citizens and creditors. This is an increase of \$167,341 from prior year.

#### General Fund Budgetary Highlights

The actual revenues were more than the budgeted amount for the year by \$46,841. Actual expenses were \$7,700 less than the budgeted amount.

#### Economic Factors and Next Years Budget

The primary revenue source for the District is property taxes. This tax is not subject to changes in the economy, in the short-term. However, in the long-term, significant increases/decreases in the tax base would be evident.

#### Contacting the Fire District

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the District at 114 Magnolia Avenue, Natchitoches, LA 71457.

### Johnson, Thomas & Cunningham

#### Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation Roger M. Cunningham, CPA - A Professional Corporation

Jessica H. Broadway, CPA

321 Bienville Street Natchitoches, Louisiana 71457 (318) 352-3652 Fax (318) 352-4447

203 North Abel Street Winnfield, Louisiana 71483 (318) 628-5655 Fax (318) 628-3988

#### ACCOUNTANT'S REVIEW REPORT ON THE FINANCIAL STATEMENTS

Natchitoches Parish Fire Protection District No. 6 114 Magnolia Avenue Natchitoches, LA 71457

We have reviewed the accompanying financial statements of the governmental activities and major fund of the Natchitoches Parish Fire District No. 6, a component unit of the Natchitoches Parish Police Jury, as of and for the year ended December 31, 2007, which collectively comprise the District's basic financial statements as listed in the Table of Contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of management of the District.

A review consists principally of inquiries of District personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The Management's Discussion and Analysis and budgetary comparison information on pages 1 through 4 and 26 through 27, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated May 16, 2008, on the results of our agreed-upon procedures on page 28 through 30. Pages 31 through 32 present the Louisiana Attestation Questionnaire.

Johnson. Thomas & Cunningham. CPA's

Johnson, Thomas & Cunningham, CPA's

May 16, 2008 Natchitoches, Louisiana

#### BASIC FINANCIAL STATEMENTS

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

## Natchitoches Parish Fire Protection District No. 6 Statement of Net Assets December 31, 2007

ASSETS:	Governmental <u>Activities</u>
Current Assets: Cash & Cash Equivalents Receivables	\$ 321,196 <u>327,439</u>
Total Current Assets	\$ 648,635
Non-current Assets: Capital Assets (Net) Total Assets	<u>966,838</u> \$ <u>1,615,473</u>
LIABILITIES:	
Current Liabilities: Accounts Payable Current Portion Long-term Debt Total Liabilities	\$ 3,800 <u>66,907</u> \$ 70,707
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt Unrestricted	\$ 899,931 644,835
Total Net Assets	\$ <u>1,544,766</u>

#### Natchitoches Parish Fire Protection District No. 6 Statement of Activities December 31, 2007

		Program Charges for	n Revenues Operating Grants and	Net (Expenses) Revenues and Changes in Net Assets
<u>Activities</u>	Expenses	Services	Contributions	Government Activities
Governmental Activities:				
General Government	\$ 35,027	\$0	\$ 0	\$ (35,027)
Public Safety	<u>244,316</u>	<u>0</u>	<u>20,496</u>	(223,820)
Total Governmental				
Activities	\$ <u>279,343</u>	\$ <u>Q</u>	\$ <u>20,496</u>	\$ <u>(258,847)</u>
	General Reve Taxes:	enues:		
	Property	Taxes		\$ 291,800
Parcel Fee			80,475	
	State Revenue Sharing			24,162
	Interest & Miscellaneous			5,407
	Total General Revenues			\$ <u>401,844</u>
Change in Net Assets \$			\$ 142,997	
	Net Assets	January 1, 2007		<u>1,401,769</u>
	Net Assets December 31, 2007 \$1,544,76			\$ <u>1,544,766</u>

#### FUND FINANCIAL STATEMENTS

#### Natchitoches Parish Fire Protection District No. 6 Balance Sheet-Governmental Fund December 31, 2007

#### Assets:

Cash & Cash Equivalents Receivables	\$321,196 <u>327,439</u>
Total Assets	\$ <u>648,635</u>
Liabilities:	
Accounts Payable	\$ 3,800
Fund Balance:	
Unreserved	<u>644,835</u>
Total Liabilities and Fund Balance	\$ <u>648,635</u>

# Natchitoches Parish Fire Protection District No. 6 Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets December 31, 2007

Total Fund Balance for the Governmental Fund at December 31, 2007

\$ 644,835

Total Net Assets reported for Governmental Activities in the Statement of Net Assets is different because:

Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Fund Balance Sheet.

Those assets consist of:

Land, Equipment, Buildings, and Vehicles, Net of Accumulated Depreciation

966,838

Long-Term Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the Funds

(66,90<u>7</u>)

Total Net Assets of Governmental Activities at December 31, 2007

\$<u>1,544,766</u>

# Natchitoches Parish Fire Protection District No. 6 Statement of Revenues, Expenditures and Changes in Fund BalanceGovernmental Fund Year Ended December 31, 2007

	<u>Total</u>
REVENUES:	#272 27 <i>5</i>
Taxes	\$372,275
Intergovernmental Interest & Miscellaneous	44,658
Interest & Miscellaneous	<u>5,408</u>
Total Revenues	\$ <u>422,341</u>
EXPENDITURES:	
Current-	
General Government-	
Insurance	\$ 22,579
Office Expense	6,512
Telephone & Utilities	<u>5,936</u>
Total General Government	\$ <u>35,027</u>
Public Safety-	
Maintenance & Supplies	\$ 76,276
Wages & Fringe	48,735
Capital Expenditures	<u>26,300</u>
Total Public Safety	\$ <u>151,311</u>
Debt Service-	
Principal Payments	\$ 63,778
Interest	4,884
Total Debt Service	\$ <u>68,662</u>
Total Esmanditures	#355 000
Total Expenditures	\$ <u>255,000</u>
Excess of Revenues over Expenditures	\$167,341
Fund Balance-Beginning of Year	<u>477,494</u>
Fund Balance-End of Year	\$ <u>644,835</u>

See notes to financial statements.

(114,422)

\$<u>142,997</u>

# Natchitoches Parish Fire Protection District No. 6 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Funds to the Statement of Activities For the Year Ended December 31, 2007

Total Net Change in Fund Balance at December 31, 2007, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 167,341
The Change in Net Assets reported for Governmental Activities in the Statement of Activities is different because:	
Principal paid on long-term debt is shown as an expenditure in governmental funds, but it reduces long-term debt in the Statement of Net Assets	63,778
Capital Outlay costs which are considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance, are shown as increases in assets on the	27.200
Statement of Net Assets  Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.  Depreciation expense for the year ended	26,300

December 31, 2007

per Statement of Activities

Total changes in Net Assets at December 31, 2007,

#### NOTES TO FINANCIAL STATEMENTS

#### 1. Introduction:

Natchitoches Parish Fire Protection District No. 6 was created by the Natchitoches Parish Police Jury, by ordinance in June 1982, under the provisions of Louisiana Revised Statutes 40:1492-1501, for the purpose of providing fire protection for the citizens of the District. The District is governed by a Board of Commissioners who are resident property taxpayers of the District. The commissioners are approved/appointed by the Natchitoches Parish Police Jury. The District was created to acquire and maintain buildings, machinery, equipment, water tanks, water hydrants and water lines, and any other such things necessary to provide proper fire protection and control within the District.

#### 2. Summary of Significant Accounting Policies:

The accounting and reporting policies of Natchitoches Parish Fire Protection District No. 6 conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide.

#### A. Reporting Entity-

As the governing authority of the Parish, for reporting purposes, the Natchitoches Parish Police Jury is the financial reporting entity for Natchitoches Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Natchitoches Parish Police Jury for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

- 1. Appointing a voting majority of an organization's governing body and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- 2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

Organizations for which the reporting entity financial statements would be misleading if
data of the organization is not included because of the nature or significance of the
relationship.

Because the police jury created Fire District No. 6 by ordinance, the District was determined to be a component unit of the Natchitoches Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

#### B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### C. Fund Accounting-

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The District maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The major fund of the District is described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

#### D. Measurement Focus/Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

#### E. Assets, Liabilities, and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the District.

#### Capital Assets-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Furniture, computers	5 years
Firefighting equipment	10 years
Ladders, hoses, air packs	7 years
Radios	10 years
Fire trucks	15 years
Other vehicles	5 years
Buildings	40 years

#### Equity Classifications-

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt---Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets---Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.

c. Unrestricted net assets---All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

#### F. Budget-

Prior to the beginning of each fiscal year, the Natchitoches Parish Fire Protection District No. 6 adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

#### G. Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

#### 3. Cash and Cash Equivalents:

For reporting purposes, cash and cash equivalents include demand deposits, time deposits, and certificates of deposit. At December 31, 2007, the District had cash and cash equivalents (collected bank balances) totaling \$324,257. Cash and cash equivalents are stated at cost, which approximates market. Under Louisiana law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These pledged securities are held in the name of the pledging bank in a holding or custodial bank in the form of safekeeping receipts held by the District. The deposits at December 31, 2007, were secured as follows.

Demand Deposits	\$146,992
Certificates of Deposit	<u>177,265</u>
Total	\$ <u>324,257</u>
FDIC Insurance	\$100,000
Pledged Securities	<u>224,257</u>
Total	\$ <u>324,257</u>

Even though the pledged securities are considered uncollateralized (Category #3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

#### 4. Capital Assets:

Capital asset balances and activity for the year ended December 31, 2007, is as follows:

Governmental <u>Activities</u>	Balance 01-01-07	Additions	<u>Deletions</u>	Balance 12-31-07
Capital Assets Depreciated:				
Firefighting equipment	\$ 338,503	\$ 1,818	\$0	\$ 340,321
Fire trucks	1,556,242	24,482	0	1,580,724
Buildings	216,918	0	<u>0</u>	<u>216,918</u>
Total Assets	\$ <u>2,111,663</u>	\$ <u>26,300</u>	\$ <u>0</u>	\$ <u>2,137,963</u>
Less, Accumulated Depreciation:				
Firefighting equipment	\$ 160,387	\$ 25,321	\$0	\$ 185,708
Fire trucks	852,767	83,678	0	936,445
Buildings	43,549	_5,423	<u>0</u>	48,972
Total Depreciation	\$ <u>1,056,703</u>	\$ <u>114,422</u>	\$ <u>0</u>	\$ <u>1,171,125</u>
Net Capital Assets	\$ <u>1,054,960</u>	\$ <u>(88,122)</u>	\$ <u>0</u>	\$ <u>966,838</u>

Depreciation expense of \$114,422 was charged to the public safety function.

#### 5. Compensated Absences:

The District does not carry forward leave from year to year, therefore no entry is made to record compensated absences.

#### 6. Ad Valorem Taxes:

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the District in June or July and are actually billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are recognized as revenue when billed. The Natchitoches Parish Sheriff's office bills and collects property taxes using the assessed values determined by the Tax Assessor of Natchitoches Parish.

In addition to property taxes, the residents of Fire District No. 6, of Natchitoches Parish voted on and approved a proposition in 1999 to levy and collect an annual parcel fee of \$25 on each lot on which a structure is located. The purpose of this assessment is to provide funds for acquiring, constructing, and maintaining fire protection facilities and equipment. The parcel fees attach as an enforceable lien and are levied in the same manner as property taxes described above. Billing, collection, and assessment determination are also made in the same manner.

For the year ended December 31, 2007, fees of \$72,275 were levied of which the entire amount is included as revenue for the year. Uncollected taxes average less than 1% of the total taxes levied. Accordingly, the District makes no provision for uncollectible taxes.

The Natchitoches Parish Sheriff's office bills and collects property taxes for the District. Collections are remitted to the District monthly. The District recognizes property tax revenues when levied.

#### Property Tax Calendar

Assessment date	January 1, 2007
Levy date	June 30, 2007
Tax bills mailed	October 15, 2007
Total taxes are due	December 31, 2007
Penalties and interest added	January 31, 2007
Lien date	January 31, 2007
Tax Sale	May 15, 2007

The District is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the District. Property taxes are recorded as receivables and revenues in the year assessed.

Assessed values are established by the Natchitoches Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties,
	excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2004. Total assessed value was \$41,232,910 in 2007. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was a total of \$10,930,500 of the assessed value in 2007. For the year ended December 31, 2007, taxes of 10.0 mils were levied on the property and were dedicated to fire protection. Taxes collected totaled \$291,800, after adjustments from the prior year.

#### 7. Pension Plan:

Substantially all employees of Fire Protection District No. 6 of Natchitoches Parish are members of the Louisiana Firefighters Retirement System (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to three and one-third percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System annually issues a publicly-available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters Retirement System, Post Office Box 95095, Baton Rouge, Louisiana 70804, or by calling (504) 925-4060.

Funding Policy. Plan members are required by state statute to contribute 8.0 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 15.5 percent of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District's contributions to the System for the years ending December 31, 2007, 2006, and 2005 were \$2,580, \$4,804 and \$3,278, respectfully.

#### 8. Pending Litigation:

There were no civil suits seeking damages against the District outstanding at December 31, 2007.

#### 9. Related Party Transactions:

The District had no identified related party transactions for the year ended December 31, 2007.

#### 10. Compensation Paid to Board Members:

The members of the Board of Commissioners of the District receive no compensation for their services.

#### 11. Receivables:

The following is a summary of receivables at December 31, 2007:

Class of Receivable	General Fund		
Taxes-			
Ad Valorem	\$255,164		
Parcel Fee	<u>72,275</u>		
Total	\$327.439		

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

#### 12. General Long-term Debt:

At December 31, 2007, long-term debt consisted of one outstanding loan secured for the purchase of various fire trucks and equipment.

The note of \$305,404 is from a loan originated on June 18, 2003, with G. E. Capital. The note calls for repayment in five equal annual installments on April 1 of each year at a rate of 4.8946 % with the final installment due on April 1, 2008.

Debt maturity on the loan for the remaining years is as follows:

<u>Year</u>	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ <u>70,189</u>	\$ <u>66,907</u>	\$ <u>3,282</u>

The following is a summary of changes in long-term debt during the year:

	<u>1-1-07</u>	<b>Borrowings</b>	Repayments	<u>12-31-07</u>
G. E. Capital Public Finance	\$ <u>130,685</u>	\$ <u>Q</u>	\$ <u>63,778</u>	\$ <u>66.907</u>

### OTHER REQUIRED SUPPLEMENTARY INFORMATION

#### Natchitoches Parish Fire Protection District No. 6 General Fund Budgetary Comparison Schedule For the Year Ended December 31, 2007

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
REVENUES		****		
Taxes	\$325,000	\$350,000	\$372,275	\$ 22,275
Intergovernmental	20,000	20,000	44,658	24,658
Interest	3,000	3,500	3,437	(63)
Miscellaneous	0	2,000	<u> 1,971</u>	(29)
Total Revenues	\$ <u>348,000</u>	\$ <u>375,500</u>	\$ <u>422,341</u>	\$ <u>46,841</u>
EXPENDITURES:				
General Government-				
Insurance	\$ 20,000	\$ 22,600	\$ 22,579	\$ 21
Office Expense	17,600	6,700	6,512	188
Telephone & Utilities	7,400	6,500	5,936	564
Public Safety-				
Wages & Benefits	89,200	53,100	48,735	4,365
Maintenance & Supplies	72,500	65,300	76,276	(10,976)
Capital Expenditures	50,000	38,000	26,300	11,700
Debt Service-	ĺ		·	
Principal	64,000	64,000	63,778	222
Interest	6,500	6,500	<u>4,884</u>	<u> 1,616</u>
Total Expenditures	\$327,200	\$ <u>262,700</u>	\$ <u>255,000</u>	\$ <u>7,700</u>

### Johnson, Thomas & Cunningham

#### Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation Roger M. Cunningham, CPA – A Professional Corporation Jessica H. Broadway, CPA 321 Bienville Street Natchitoches, Louisiana 71457 (318) 352-3652 Fax (318) 352-4447

203 North Abel Street Winnfield, Louisiana 71483 (318) 628-5655 Fax (318) 628-3988

#### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Natchitoches Parish Fire Protection District No. 6 114 Magnolia Avenue Natchitoches, LA 71457

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of the Natchitoches Parish Fire Protection District No. 6 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Natchitoches Parish Fire District No. 6's compliance with certain laws and regulations during the year ended December 31, 2007, included in the Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### PUBLIC BID LAW

1. Select all expenditures made during the year for materials and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures found to be in violation.

#### CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

Members of AICPA
Governmental Audit Quality Center

Members of AICPA
Members of Society of Louisiana CPA's

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided the requested list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

None of the employees included in procedures (3) appeared in procedures (2) as immediate family members.

#### **BUDGETING**

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There was one amendment to the budget during the year.

6. Trace the budget and amendment adoptions to the minute book.

We traced the adoption of the budget and amendment to the minutes of the District. They were adopted by unanimous decisions.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Actual revenues and expenditures were within the 5% variance allowed.

#### ACCOUNTING AND REPORTING

- 8. Randomly select 6 disbursements made during the period under examination and:
  - (a) trace payments to supporting documentation as to proper amount and payee:

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account:

Each disbursement appeared to be coded correctly.

(c) determine whether payments received approval from proper authorities:

Inspection of supporting documentation showed written approval. In addition, non-recurring entries were discussed and approved in the minutes.

#### **MEETINGS**

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Management has asserted that such documents were properly posted.

#### DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or any other indebtedness which have not been approved by the State Bond Commission.

We inspected copies of all bank deposits for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or other indebtedness that had not been approved by the State Bond Commission.

#### ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

We noted no instances which would indicate payments to employees that would constitute advances, bonuses or gifts.

Our prior report dated June 16, 2007, did not contain any comments.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Natchitoches Parish Fire Protection District No. 6 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Johnson, Thomas & Cunningham. CPA's Johnson, Thomas & Cunningham, CPA's

May 16, 2008 Natchitoches, Louisiana

#### NATCHITOCHES PARISH FIRE PROTECTION DISTRICT NO. 6

#### LOUISIANA ATTESTATION QUESTIONNAIRE

321 Bienville Street
Natchitoches, LA 71457
n connection with your compilation of our financial statements as of December 31
period then ended, and as required by Louisiana Revised Statute 24:513 and the Louis
Audit Guide, we make the following representations to you. We accept full re-

In connection with your compilation of our financial statements as of December 31, 2007, and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of February 11, 2008.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes <u>X</u> No \_\_\_

Code of Ethics for Public Officials and Public Employees

Johnson, Thomas & Cunningham, CPA's

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes X No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes <u>X</u> No \_\_\_

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14 or the budget requirements of LSA-RS 39:43.

Yes <u>X</u> No \_\_\_

Accounting and	Reporting	
----------------	-----------	--

All non-exempt governmental records are available as a public record and three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.	have been	retain	ed for at least
	Yes	<u>X</u>	No
We have filed our annual financial statements in accordance with LSA-RS as applicable.	24:514, 33	:453,	and/or 39:92,
	Yes	X	No
We have had our financial statements audited or compiled in accordance with	th LSA-RS	24:5	13.
	Yes	<u>X</u>	No
Meetings			
We have complied with the provisions of the Open Meetings Law, provided	in RS 42:1	thro	ugh 42:12.
	Yes	<u>X</u>	No
Debt			
It is true we have not incurred any indebtedness, other than credit for 90 days the ordinary course of administration, nor have we entered into any lease the approval of the State Bond Commission, as provided by Article VII, Scientification, Article VI, Section 33 of the 1974 Louisiana Constitution, and	-purchase a ection 8 of	greer the 1	nents, without 974 Louisiana
	Yes	<u>X</u>	No
Advances and Bonuses			
It is true we have not advanced wages or salaries to employees or paid bone Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG op			of Article VII,
	Yes	<u>X</u>	No
We have disclosed to you all known noncompliance of the foregoing laws contradictions to the foregoing representations. We have made available to the foregoing laws and regulations.	_		•
We have provided you with any communications from regulatory agencies any possible noncompliance with the foregoing laws and regulations, in received between the end of the period under examination and the acknowledge our responsibility to disclose to you any known nonce subsequent to the issuance of your report.	ncluding an issuance of	ny co f this	mmunications report. We
Secretary Chuck Stoker Date	2/	/11/6	.08